(b) Agriculture Insurance Company of India Limited (AICL) has reported that the threshold yield is the moving average of yield (3 years for wheat and paddy and 5 years for all other crops including annual commercial/ horticultural crops) multiplied by its eligible Level of Indeminity (IL). They yield data, based on Crop Cutting Experiments (CCEs), is provided by the concerned State/UT Government. The IL is fixed taking into account the variation is past 10 year's yield data as shown by the Coefficient of Variation (CV).

Value of CV between 0-15: IL would be 90%.

Value of CV between 15-30: IL would be 80%.

Value of CV above 30: IL would be 60%.

Therefore, the threshold yield of paddy and groundnut are arrived at by multiplying the average yield of past 3 and 5 years, respectively, with the eligible IL.

(c) and (d) No, Sir. As per the assessment done by AICL, the farmers have received claims more than three times the net premium paid by them. For paddy and groundnut, the pay out has been more than four times the premium.

Issue of guidelines for Anti-Money Laundering Regime

116. SHRI RAVULA CHANDRASEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the IRDA has issued guidelines for the Anti-Money Laundering Regime recently;

(b) if so, the details thereof;

(c) the difference between the earlier and the present guidelines; and

(d) the aims and objectives in framing these guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. The Insurance Regulatory & Development Authority (IRDA) has reported that it has issued guidelines on 31st March, 2006 to all the insurers to put in place a policy on Anti-Money Laundering measures by 1st July, 2006.

(c) No such guidelines were issued earlier.

(d) The Insurance Sector is also vulnerable to money laundering like Banking and Capital Markets. The Prevention of Money Laundering Act, 2002 (PMLA) casts obligations upon banking companies, financial institutions and intermediaries to comply with the provisions of the Act and Rules framed thereunder. As such, the insurance companies are required to comply with PMLA, 2002. Accordingly, the IRDA has put in place guidelines for the Insurance Sector as a measure to check money laundering.

Exemption from tax to export-oriented industries

117. SHRI T.T.V. DHINAKARAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that 100 per cent export-oriented industries are exempted from various taxes/duties;

(b) if so, the details thereof; and

(c) whether Government propose to extend these concessions beyond the year 2010?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) and (c) So far as direct taxes are concerned, section 10B of the Income-tax Act provides for 100% deduction of profits derived by hundred per cent export oriented undertakings from the export of any article or thing or computer software. This deduction is available for ten consecutive assessment year beginning with the assessment year relevant to the financial year in which the undertaking begins to manufacture/produce. However, the Government does not propose to extend the tax benefit under section 10B of the Income-Tax Act beyond assessment year 2009-10.

So far as indirect taxes are concerned, presently, Export Oriented Undertakings (EOU) are allowed exemption from import duty and central excise duty. These units are allowed to import capital goods, raw materials and consumables for the purpose of approved activities without payment of duty. Similarly, the EOUs are also allowed to procure capital goods, raw materials and consumables from domestic sources, for the purposes of approved activities without apyment of central excise duty. However, no